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News Release

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Buffalo man pleads guilty to child pornography, mail fraud

A 37-year-old Buffalo man pleaded guilty yesterday in federal court to one count of transmission of child pornography and one count of mail fraud in connection with the embezzlement of more than \$240,000 from a Rockford church.

Matthew James Beise entered his guilty pleas June 16 in Minneapolis before United States District Court Judge Ann Montgomery. Beise pleaded guilty to one count of transmission of child pornography and one count of mail fraud. Beise was indicted Nov. 8, 2007.

According to his plea agreements, Beise served as the council treasurer for the Cross Evangelical Lutheran Church in Rockford from 1998 to 2006. In his capacity as treasurer, Beise had control of the books and records of the church, and had signatory authority on the church's checking account. Beise had authorization to draw on the account to pay recurring church bills or for other payments authorized by the church council.

Starting in January 2001 through September 2006, Beise knowingly devised and executed a scheme to defraud and to obtain money from the church by means of false and fraudulent pretenses and representations. The plea agreement states that Beise deposited church funds by check or wire transfer into his personal bank account, and he wrote checks from the church bank account to directly pay his personal expenses.

The plea agreement states that Beise embezzled at least \$240,000 from the church account and used it for personal expenses, such as credit card payments, jewelry, Minnesota Vikings season tickets and expenses related to the construction of a \$600,000 home.

Beise concealed the embezzlement by providing false monthly financial reports to the church council regarding the nature of expenditures from the church bank account, as well as the condition of the church's finances, the plea agreement states. Those monthly reports were sent and delivered via the U.S. Postal Service.

The plea agreement also states that in an effort to conceal his embezzlement, Beise provided falsified documents to the Wright County Sheriff's Office when police were investigating the

missing funds.

During the embezzlement investigation, Beise's computer was seized during a search warrant of his residence on Jan. 12, 2007, and authorities found approximately 190 images of child pornography on it.

According to his plea agreement, Beise traded images of minors engaging in sexually explicit conduct with other individuals using an Internet-based e-mail account from 2004 through 2006. The count to which Beise pleaded guilty charged that he sent via e-mail three different images of child pornography on March 13, 2006.

Beise faces a potential maximum penalty of 20 years in prison on the child pornography count and 20 years on the mail fraud count. Judge Montgomery will determine Beise's sentence at a future date. This case is the result of an investigation begun by the Wright County Sheriff's Office, with assistance from the Internal Revenue Service-Criminal Investigation Division, the U.S. Postal Inspection Service and the Federal Bureau of Investigation.

Both cases are being prosecuted by Assistant U.S. Attorney Timothy C. Rank.